



NARGON NEWS

NEWSLETTER OF THE GROCERY RETAILERS' ASSOCIATION

SPECIAL POINTS OF INTEREST:

Included with this issue:

- Invite to Premier Grocers Kiwi Breakfast at the Hamilton Foodstuffs Expo.



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STOP WASTING MONEY AND SAVE WITH MIL-TEK WASTE SOLUTIONS

Mil-tek is a leading international supplier of a unique range of balers and waste presses which can help stores of all sizes reduce their waste disposal costs, speed up handling and create more space. With machines working entirely on compressed air, Mil-tek customers enjoy improved recycling, reduced waste costs and a sustainable, efficient way of handling their waste streams. Mil-tek solutions can deal with many types of waste and recyclables.

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Advetorial

OVERCOMING OBSTACLES: BUILDING A NEW STORE

NARGON Board member Ross Jordan is an owner-operator of the New World store currently under construction in the Wellington suburb of Newlands. The 2,200 square meter state of the art eco-store is being built from scratch. When it opens in mid-August, Ross expects to be employing about 85 staff, most of them locals.

Although Ross has been involved in the retail grocery industry since he was an after-school trolley boy in 1974, this is his first brand new store. He says Foodstuffs have been great working with the builders and the local council. In recent months, his main focus has been getting to know the area and potential clientele, and putting together a large team from scratch.

Newlands has been starved of a good supermarket for quite a while and Ross believes the local community will be very supportive of the new store. His research indicates it is a family suburb, surrounded by some very big schools and it has strong traditional values and an increasingly diverse population. This information will be used to shape the product selection and display in the finished store.

Ross says the response to the

job adverts has been strong with a lot of locals keen to work in the supermarket. The modernity of the store has helped, he believes, as have the improved career opportunities in the industry. The staff's focus will be offering a strong range of products, presenting them well, promoting fresh goods, keeping the store clean and tidy and excellent customer service. We wish Ross and his team the very best for their grand opening.

Every month the NARGON News will interview a person from the retail grocery industry who has overcome an obstacle in their business. Suggestions for potential articles should be sent to Trina Snow, Executive Director of NARGON (director@nargon.co.nz).

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RECORD DROP IN RETAIL SALES, FOOD PRICES UP SLIGHTLY

Figures from Statistics New Zealand show a 2.5 percent drop in core retail sales for the March 2012 quarter, the largest decrease since the series began in 1995. The results for supermarket and grocery sales were even worse with a drop of over \$300 million (7.5 percent). Again, this was the biggest drop since 1995. Statistics New Zealand noted that the record decrease followed "very strong growth in the last two quarters of 2011, when the Rugby World Cup brought 133,200 overseas visitors to New Zealand."

Statistics New Zealand also revealed that food prices rose 0.3 percent in the May 2012 month, following a 0.1 percent fall in April. The most significant increase in May came from the fruit and vegetables subgroup

(up 3.2 percent).

Overall, for the year to May 2012, food prices fell 0.2 percent. Three of the five food subgroups made downward contributions with lower prices recorded for meat, poultry, and fish (down 2.3 percent), grocery food (down 0.2 percent) and non-alcoholic beverages (down 0.7 percent). Higher prices were recorded for fruit and vegetables (up 0.2 percent) and restaurant meals and ready-to-eat food (up 1.6 percent). The 5.7 percent drop in fresh milk prices was the largest since an 8.1 percent drop in September 2006 and the last time milk prices were lower was in June 2010.

FLEXIBLE WORKING HOURS ARE ON THE WAY

Minister of Labour Hon Kate Wilkinson announced that Cabinet had approved legislation to extend an employee's right to request flexible working hours. She says the policy was included in the National Party election manifesto and that legislations is expected to go before Parliament this year.

The Minister said "we are extending the right to request flexible working arrangements to all workers, right from their first day on the job. Under the current law, this is only available to caregivers and only then after six months of employment. Modern lifestyles are changing and

workplaces need to reflect this reality. Flexible working arrangements will boost productivity and help employees find the work-life balance that works for them and their family. Flexible hours are often agreed to informally, and by extending eligibility to all employees, we hope to encourage agreement without having to go through a formal process."

NARGON will consider the exact details of the legislation when the proposed Bill is released, but in-principle the move certainly looks sensible. Many stores and their staff will welcome the increased flexibility.

SUPERMARKET SCOOPS ENERGY EFFICIENCY PRIZE

Wanganui Pak'nSave has been named a co-winner in the Small to Medium Business: Ecosystems category at the 2012 Energy Efficiency and Conservation Authority (EECA) Awards. The New Zealand Herald reported their success was largely down to an eco-conscious seven-year old:

Pak'nSave store owner Gareth Jones said he was challenged to step up his efforts when his son Elliot joined the green team at school two years ago. He came home and said "Dad, our school's doing all these things to save the environment, what are you doing in your store?"

Skylights were added to let in more natural light, which together with lighting sensors and controls, have reduced the required amount of artificial lighting in the store. Air conditioning was replaced with free cooling in summer, beer and wine fridges had doors fitted and chest freezers were given lids.

The end result has been a 40 per cent energy saving, equating to "a big number" in terms of dollars, which Jones has passed on to customers in product prices. Jones said he and Ecosystems had not come up with any new ideas, but simply took a number of separate ideas being used in other supermarkets."

RETAIL QUIZ

All NARGON members should know the answers to these three questions:

1. What type of employees is the Minister of Labour looking to extend flexible working hours to?
2. When is the only time a customer should be able to see tobacco packaging after the new restrictions come into force on June 23?
3. How many plastic bags does Los Angeles use each year?





NEW TOBACCO RESTRICTIONS FROM 23 JULY 2012

All stores which sell tobacco products should be preparing for the main provisions of the Smoke-free Environments (Controls and Enforcement) Amendment Act 2011 which are scheduled to come into force on 23 July 2012. The Government is considering whether to allow some exemptions and/or extended timelines but at this stage stores should make no assumptions and all plan to be ready for full implementation on the specified date. The three main areas of change are:

Prohibition of displays

The Act generally prohibits the display of any tobacco products (including packets, cartons, packaging or advertising) in sales outlets or on vending machines. This includes a ban on displays on the exterior of retail premises

which show a retailer's name or trading name if those signs include words, phrases, trademarks or company names that have the effect of advertising tobacco. The only time customers should be able to see a tobacco label is during delivery to the store and at the moment of purchase.

Limited information about tobacco products may be provided by retailers but essentially only when specifically asked by a potential customer. However, even this is restricted to naming the tobacco products available and indicating prices.

Health information or warnings signs

Every person who offers a tobacco product for sale must, at all times, display sale health information or warnings signs at all points-

of-sale. These signs must do no more than communicate health information or warnings which can be as simple as 'SMOKING KILLS Ka mate koe i te kai hikareti.'

New offences and fines

The Act creates a new offence where a person (without reasonable excuse) allows a tobacco product, tobacco package or tobacco carton to be visible outside of the very limited exemptions listed in the legislation. A person who commits such an offence is liable to a fine of up to \$10,000.

Failing to display point-of-sale health information or warning signs is liable of a fine not exceeding \$2,000. Failing to display point-of-sale purchase age information signs is liable of a fine not exceeding \$2,000




JOIN US FOR THE PREMIER BACON GROCERS BREAKFAST at the FOODSTUFFS EXPO in HAMILTON

For those in need of sustenance before a big day at the show after a big night, join us at the NARGON Kiwi Breakfast which is free for all of our members.

Where: at the Foodstuffs Expo at Claudelands Event Centre Hamilton. (Arena Lounge)

When: Thursday 30th August from 8:30am (until 10:00am)

- Buffet Breakfast, cooked or continental option featuring Premier Beehive Bacon.
- Turn up anytime between 8:30am and 10:00am.

To attend, simply register using the form included in this newsletter or online at www.nargon.co.nz/PremierBaconBreakfast



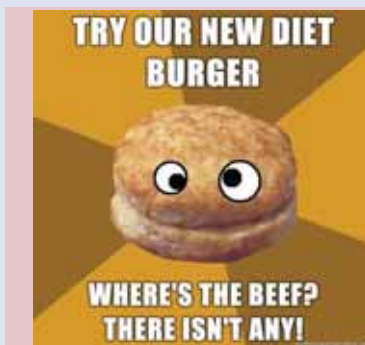
ON A LIGHTER NOTE – BURGER BUDGETING 101

This conversation occurred at a fast food restaurant in the United States of America – at least according to www.notalwaysright.com:

(I'm eating a hamburger. I see the man next to me carefully picking a slab of cheese out of his burger, wrapping it in a paper napkin, and eating the rest of the burger. It puzzles me, so I ask him about it.)

*Me: *point at napkin* "Excuse me, but why did you do that?"*

Man: "Oh, every time I eat a burger, I set one ingredient aside. At the end of the week, I have a free burger!"





UK: THREE-YEAR OLD USES SOCIAL MEDIA TO CHANGE A PRODUCT'S NAME

The power of social media was demonstrated recently when grocery giant Sainsbury's changed the name of its famous Tiger Bread to Giraffe Bread. Their decision was the result of an on-line campaign which started when three-year old Lily Robinson wrote to Sainsbury asking why Tiger Bread was called Tiger Bread when in her opinion it looked more like a giraffe and should be called Giraffe Bread.

The store sent back a nice note, a voucher and a gift card which Lily's mother posted on Facebook. Her post went viral with thousands of people liking and sharing the links. The issue received international

media coverage. Sainsbury's then made it official saying "in response to overwhelming customer feedback that our Tiger Bread has more resemblance to a giraffe, from today we will be changing our Tiger Bread to Giraffe Bread and will see how that goes." It has been described as a coup for common sense, customer service and budding brand planners everywhere.



USA: LOS ANGELES BANS PLASTIC BAGS IN SUPERMARKETS

Los Angeles has become the largest city in the United States to ban the use of plastic bags in supermarkets. An environmental group has estimated that 2.3 billion single-use plastic bags are used and discarded in the city each year. Bags will be phased out at 7,500 shops over the next year. In addition, stores will now charge customers NZ\$ 0.13c for a paper bag. The city council had considering banning paper bags as well but backed away.

The state of California uses an estimated 12 billion plastic bags each year and less than 5 per cent of them are recycled. A number of other major cities, including San Francisco, have already passed restrictions or bans on plastic bags. Not everyone supported the move with the employee of plastic bag manufacturers protesting against the decision. Some were pictured wearing T-shirts saying "Don't Kill My Job".

REMINDER ABOUT WRITTEN EMPLOYMENT AGREEMENTS

NARGON reminds all members that full written employment agreements are required for every single employee. This is a strict legal requirement. The member's section of the upgraded NARGON website contains draft agreements and advice on employment agreements – www.nargon.co.nz.

RETAIL QUIZ ANSWERS

1. All employees.
2. At the moment of purchase
3. An estimated 2.3 billion.



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